

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
 )  
W. R. GRACE & CO., et al.<sup>1</sup> ) Case No. 01-1139 (JKF)  
 ) Jointly Administered  
Debtors. )

**Objection Deadline:** November 21, 2005 at 4:00 p.m. (prevailing Eastern time)  
**Hearing Date:** To Be Determined, Only If Objections Are Timely Filed

**SUMMARY APPLICATION OF LATHAM & WATKINS LLP FOR COMPENSATION  
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS SPECIAL ENVIRONMENTAL  
COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE THIRD MONTHLY INTERIM  
PERIOD, FROM SEPTEMBER 1, 2005, THROUGH SEPTEMBER 30, 2005,  
FOR THE QUARTER OF JULY - SEPTEMBER, 2005**

Name of Applicant: Latham & Watkins LLP ("L&W")  
Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and  
Debtors-in Possession  
Date of Retention: Retention Order entered June 16, 2004,  
effective nunc pro tunc from April 1, 2001.  
Period for which compensation and reimbursement  
is sought: September 1, 2005 through September 30, 2005  
Amount of Compensation sought as actual,  
reasonable and necessary: \$736.50  
Amount of Expense Reimbursement sought  
as actual, reasonable and necessary: (\$5.32)  
This is a(n) X monthly,    interim,    final application.

<sup>1</sup> The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circé Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester new Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Koontenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 3 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$1,200.00.

This is the third monthly application for interim compensation of services for the July – September 2005 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
On or about August 9, 2004	December 2003 – June 2004	\$211,719.00	\$6,927.50	All fees approved	\$6,897.50 approved
On or about August 25, 2004	July 1, 2004 – July 31, 2004	\$11,334.50	\$201.32	All fees approved	All expenses approved
On or about October 25, 2004	August 1, 2004 – August 31, 2004 and September 1, 2004 – September 30, 2004	\$81,729.50	\$5,199.44	All fees approved	All expenses approved
On or about November 25, 2004	October 1, 2004 – October 30, 2004	\$45,050.00	\$1,825.59	All fees approved	All expenses approved
On or about December 25, 2004	November 1, 2004 – November 30, 2004	\$31,913.50	\$1,509.91	All fees approved	All expenses approved
On or about January 25, 2005	December 1, 2004 – December 31, 2004	\$26,177.50	\$1,282.35	All fees approved	All expenses approved
On or about February 4, 2005	July 1, 2004 – September 30, 2004	\$93,064.00	\$5,400.76	All fees approved	All expenses approved
On or about February 25, 2005	January 1, 2005 – January 31, 2005	\$23,485.50	\$3,14.93	Awaiting approval	Awaiting approval
On or about March 25, 2005	February 1, 2005 – February 28, 2005	\$22,065.00	\$628.01	Awaiting approval	Awaiting approval
On or about May 19, 2005	October 1, 2004 – December 31, 2004	\$103,141.00	\$4,617.85	All fees approved	All expenses approved
On or about May 24, 2005	March 1, 2005 – March 31, 2005	\$39,952.00	\$160.88	Awaiting approval	Awaiting approval
On or about May 24, 2005	January 1, 2005 – March 31, 2005	\$85,502.50	\$1,103.82	Awaiting approval	Awaiting approval
On or about May 26, 2005	April 1, 2005 – April 30, 2005	\$33,385.50	\$593.50	Awaiting approval	Awaiting approval
On or about July 8, 2005	May 1, 2005 – May 31, 2005	\$15,799.50	\$956.63	Awaiting approval	Awaiting approval
On or about August 9, 2005	June 1, 2005 – June 30, 2005	\$3,343.00	\$332.11	Awaiting approval	Awaiting approval
On or about August 9, 2005	April 1, 2005 – June 30, 2005	\$52,528.00	\$1,882.24	Awaiting approval	Awaiting approval
On or about September 19, 2005	July 1, 2005 – July 31, 2005	\$1,392.00	\$8.93	Awaiting approval	Awaiting approval
On or about October 10, 2005	August 1, 2005 – August 31, 2005	\$698.50	\$39.03	Awaiting approval	Awaiting approval

The hearing for the Quarterly Application for the interim period April 1, 2005, through June 30, 2005, is scheduled for December 19, 2005.

The L&W attorneys who rendered professional services in these cases during the Fee Period are:

Name of Attorney	Position with the Applicant	Number of Years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
John McGahren	Partner	15	Environmental	510.00	.20	\$102.00
Kellie Ortega	Associate	2	Environmental	295.00	.30	88.50
<b>Total for Attorneys</b>					.50	<b>\$190.50</b>

The L&W legal assistants who rendered professional services in these cases during the Fee Period are:

Name of Legal Assistant	Position with the Applicant	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Manny J. Alvelo	Project Assistant	Environmental	105.00	5.20	\$546.00
<b>Total for Legal Assistants</b>				5.20	<b>\$546.00</b>

### Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
029016-0001	Hatco Remediation	.20	\$102.00
029016-0003	Special Counsel Fee Application	5.5	634.50
		5.7	\$736.50

### Expense Summary for Hatco Remediation

Description	Amount
None	\$0.00
<b>Total</b>	<b>\$0.00</b>

### Expense Summary for Special Environmental Counsel Application

Description	Amount
Federal Express	\$5.32
<b>Total</b>	<b>\$5.32</b>

WHEREFORE, L&W respectfully requests (a) that an allowance be made to it, as fully described above for (i) the amount of \$736.50 for reasonable and necessary professional services L&W has rendered to the Debtors during the Fee Period and (ii) the reimbursement of actual and necessary costs and expenses incurred by L&W during the Fee Period (\$5.32); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Newark, New Jersey  
Dated: October 26, 2005

Respectfully submitted,

LATHAM & WATKINS LLP



John McGahren, Esq.  
Latham & Watkins LLP  
One Newark Center, 16<sup>th</sup> Floor  
Newark, New Jersey 07101  
(973) 639-1234

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
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**Hearing Date: To Be Determined, Only If Objections Are Timely Filed**

**FEE DETAIL FOR LATHAM & WATKINS LLP'S MONTHLY  
SPECIAL ENVIRONMENTAL COUNSEL FEE APPLICATION**  
**FOR THE PERIOD SEPTEMBER 1, 2005 THROUGH SEPTEMBER 30, 2005**

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<sup>2</sup> The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester new Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Koontenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

One Newark Center, 16th Floor  
Newark, New Jersey 07101-3174  
Tel: (973) 639-1234 Fax: (973) 639-7298  
[www.lw.com](http://www.lw.com)

**LATHAM & WATKINS LLP**

**INVOICE**

September 30, 2005

W.R. GRACE & CO.  
7500 GRACE DRIVE  
COLUMBIA, MD 21044  
ATTN: LYDIA DUFF

Tax Identification No: 05-2018373

Please remit payment to:  
Latham & Watkins LLP  
One Newark Center, 16th fl.  
Newark, New Jersey 07101-3174

Attn: Accounting Dept.

Please identify your check with the following number:  
Invoice No. W51001337  
File No. 029016-0003

**Re: SPECIAL COUNSEL FEE APPLICATION**

Balance due on prior billing	\$7,225.87
For professional services rendered through September 30, 2005:	634.50
Other Charges:	
FEDERAL EXPRESS	<u>5.32</u>
	<u>5.32</u>
Total Current Charges	639.82
Total Balance Due	<u>\$7,865.69</u>

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
ALVELO	09/02/05	1.60	PREPARE MONTHLY FEE APPLICATION FOR THE PERIOD COVERING AUGUST 1, 2005 TO AUGUST 31, 2005
ALVELO	09/06/05	1.60	PREPARE FEE APPLICATION FOR THE PERIOD COVERING AUGUST 1, 2005 TO AUGUST 31, 2005
ALVELO	09/14/05	.50	REVIEW FEE APPLICATION FOR THE SIXTEENTH INTERIM PERIOD; REPLY TO EMAIL RECEIVED FROM S. BOSSAY TO CONFIRM AMOUNTS REQUESTED MATCH AMOUNTS BEING SUBMITTED
ORTEGA	09/16/05	.30	REVIEW JULY FEE APPLICATION FOR SUBMISSION TO BOSSAY
ALVELO	09/19/05	.70	SEARCH DOCKET FOR THE DATE OF THE NEXT HEARING FOR INTERIM FEE APPLICATIONS; REVISE JULY FEE APPLICATION TOO INCLUDE NEXT HEARING DATE; SCAN JULY FEE APPLICATION AND EMAIL TO P. CUNIFF; FED EX ORIGINALS TO P. CUNIFF
ALVELO	09/30/05	.80	REVIEW AUGUST INVOICES; PREPARE FEE APPLICATION FOR THE PERIOD COVERING AUGUST 1, 2005 TO AUGUST 31, 2005

<b>EMPLOYEE NAME</b>	<b>ID</b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>
K ORTEGA	03738	.30	295.00	88.50
M J ALVELO	30621	5.20	105.00	546.00
				ASSOCIATE, JR. PROJECT ASST

#### COSTS AND DISBURSEMENTS

<b>DATE</b>	<b>TYPE</b>	<b>DESCRIPTION</b>	<b>ATTY</b>	<b>VENDOR</b>	<b>AMOUNT</b>
09/19/05	FEDERAL EXPRESS	PATRICIA CUNIFF WILMINGTON DE 19899 790649598258 09/19/05 000815926	K TINKER		5.32
		** TOTAL FEDERAL EXPRESS			5.32

BALANCE DUE AND PAYABLE TO REMITTANCE ADDRESS UPON RECEIPT.  
FOR PROPER CREDIT, PLEASE RETURN COPY OF INVOICE WITH YOUR CHECK IDENTIFIED BY # W51001337

One Newark Center, 16th Floor  
Newark, New Jersey 07101-3174  
Tel: (973) 639-1234 Fax: (973) 639-7298  
[www.lw.com](http://www.lw.com)

# LATHAM & WATKINS LLP

## INVOICE

September 30, 2005

W.R. GRACE & CO.  
7500 GRACE DRIVE  
COLUMBIA, MD 21044  
ATTN: LYDIA DUFF

Tax Identification No: 95-2018373

Please remit payment to:  
Latham & Watkins LLP  
One Newark Center, 16th fl.  
Newark, New Jersey 07101-3174

Attn: Accounting Dept.

Please identify your check with the following number:  
Invoice No. W51001337  
File No. 029016-0003

## REMITTANCE COPY

### SPECIAL COUNSEL FEE APPLICATION

<u>Invoice Date</u>	<u>Invoice Number</u>	<u>Invoice Amount</u>
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Prior Billings:

**Amounts Due on Prior Billings** **7,225.87**

Current Billing:

September 30, 2005	51001337	\$ 639.82
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**Balance Due** **\$7,865.69**

**AMOUNT REMITTED:** \$ \_\_\_\_\_

Method of Payment:

CHECK       WIRE TRANSFER

One Newark Center, 16th Floor  
Newark, New Jersey 07101-3174  
Tel: (973) 639-1234 Fax: (973) 639-7298  
[www.lw.com](http://www.lw.com)

# LATHAM & WATKINS LLP

## INVOICE

September 30, 2005

LYDIA DUFF, SENIOR ENVIRONMENTAL COUNSEL  
W.R. GRACE & COMPANY  
7500 GRACE DRIVE  
COLUMBIA, MD 21044

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Tax Identification No: 95-2018373

---

Please remit payment to:  
Latham & Watkins LLP  
One Newark Center, 16th fl.  
Newark, New Jersey 07101-3174

Attn: Accounting Dept.

Please identify your check with the following number:  
Invoice No. W51001336  
File No. 029016-0001

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### Re: HATCO REMEDIATION

Balance due on prior billing	\$92,477.50
For professional services rendered through September 30, 2005:	102.00
Other Charges:	.00
Total Current Charges	102.00
Total Balance Due	<u>\$92,579.50</u>

<u>TIMEKEEPER</u>	<u>DATE</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
MCGAHERN	09/07/05	.20	REVIEWED CORRESPONDENCE (.20)

<b>EMPLOYEE NAME</b>	<b>ID</b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>
J MCGAHERN	02116	.20	510.00	102.00 PARTNER, JR.

**COSTS AND DISBURSEMENTS**

<b>DATE</b>	<b>TYPE</b>	<b>DESCRIPTION</b>	<b>ATTY</b>	<b>VENDOR</b>	<b>AMOUNT</b>
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BALANCE DUE AND PAYABLE TO REMITTANCE ADDRESS UPON RECEIPT.  
 FOR PROPER CREDIT, PLEASE RETURN COPY OF INVOICE WITH YOUR CHECK IDENTIFIED BY # W51001336

One Newark Center, 16th Floor  
Newark, New Jersey 07101-3174  
Tel: (973) 639-1234 Fax: (973) 639-7298  
[www.lw.com](http://www.lw.com)

# LATHAM & WATKINS LLP

## INVOICE

September 30, 2005

LYDIA DUFF, SENIOR ENVIRONMENTAL COUNSEL  
W.R. GRACE & COMPANY  
7500 GRACE DRIVE  
COLUMBIA, MD 21044

Tax Identification No: 95-2018373

Please remit payment to:  
Latham & Watkins LLP  
One Newark Center, 16th fl.  
Newark, New Jersey 07101-3174

Attn: Accounting Dept.

Please identify your check with the following number:  
Invoice No. W51001336  
File No. 029016-0001

## REMITTANCE COPY

### HATCO REMEDIATION

#### Invoice Date

#### Invoice Number

#### Invoice Amount

Prior Billings:

#### **Amounts Due on Prior Billings**

**92,477.50**

#### Current Billing:

September 30, 2005                    51001336                    \$ 102.00

#### **Balance Due**

**\$92,579.50**

#### **AMOUNT REMITTED:**

**\$ \_\_\_\_\_**

#### Method of Payment:

CHECK       WIRE TRANSFER

John McGahren  
Direct (973) 639-7270  
john.mcgahren@lw.com

One Newark Center, 16th Floor  
Newark, New Jersey 07101-3174  
Tel: (973) 639-1234 Fax: (973) 639-7298  
www.lw.com

**LATHAM & WATKINS LLP**

**VIA FEDERAL EXPRESS**

**FIRM / AFFILIATE OFFICES**

Boston	New York
Brussels	Northern Virginia
Chicago	Orange County
Frankfurt	Paris
Hamburg	San Diego
Hong Kong	San Francisco
London	Shanghai
Los Angeles	Silicon Valley
Milan	Singapore
Moscow	Tokyo
New Jersey	Washington, D.C.

File No. 029016-0003

October 28, 2005

Patricia Cuniff  
Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C.  
919 North Market Street - 16th Floor  
Wilmington, DE 19801

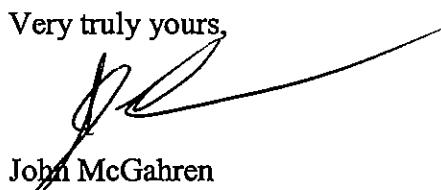
Re: In re: W.R. Grace & Co., et al., Case No. 01-01139 (JKF)

Dear Patty:

Please find enclosed for filing an executed Latham & Watkins' Monthly Fee Application for the period September 1, 2005 through September 30, 2005, in the above-captioned bankruptcy proceeding. Please do not hesitate to contact me at my direct dial number listed above if you have any questions or concerns.

Thank you very much for your assistance.

Very truly yours,

  
John McGahren  
of Latham & Watkins LLP

Enclosure